



(916) 445-4588

November 29, 1978

Dear Mr. _____

I have studied the provisions of SB 2006 as it refers to the effective date of Section 202.2 of the Revenue and Taxation Code.

Section 5 of SB 2006 provides that Section 202.2 shall apply to contracts and leases entered into on and after September 20, 1978. Therefore, I conclude the act would not apply to ongoing contracts created prior to September 20, 1978. However, I am of the opinion that such ongoing contracts, which can be cancelled by either party as you describe, can be brought under the provisions of Section 202.2 simply by a mutual agreement that the ongoing contract is cancelled and a new, but duplicate, contract shall be commenced. I believe a simple one page document incorporating the old agreement by reference would accomplish this end.

Very truly yours,

Glenn L. Rigby
Assistant Chief Counsel

RRK GLR:fr

bc: SB 2006 file

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